

## Message Text

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43

ACTION ARA-17

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 INT-08 IGA-02 RSR-01

/157 W

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P 251724 Z APR 73

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC PRIORITY 5559

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E. O. 11652: N/ A

TAGS: EFIN, EMIN, MX

SUBJECT: PRESSURES ON KAISER GYPSUM

REF: STATE 76298

1. SUMMARY: EMBASSY HAS DEVELOPED ADDITIONAL INFORMATION RE NEWSPAPER ARTICLE AND ALLEGED GOM PRESSURES AGAINST KAISER GYPSUM SUBSIDIARY IN BAJA CALIFORNIA. SITUATION APPEARS LESS SERIOUS THAN APPARENTLY INDICATED BY KAISER IN WASHINGTON CONVERSATIONS. ARTICLE IS APPARENTLY NOT RPT NOT PART OF LARGER GOM CAMPAIGN, ALTHOUGH THERE IS SOME CONTINUING INTEREST BY PRESIDENCY SECRETARY CERVANTES DEL RIO IN PUSHING FOR EVENTUAL MEXICANIZATION. END SUMMARY.

2. EMB OFFS TALKED APRIL 24 WITH ARMANDO CONDEY, HEAD OF KAISER GYPSUM' S SEVERAL MEXICAN SUBSIDIARIES ( INCLUDING CIA. OCCIDENTAL MEXICANA, S. A. , COMSA - OPERATOR OF SAN MARCOS MINES IN BAJA CALIFORNIA). CONDEY AND OTHER KAISER EXECUTIVES HAD PREVIOUSLY BEEN IN CONTACT WITH EMBASSY REGARDING INTEREST IN MEXICANIZING THEIR GYPSUM- EXPORT OPERATION IN BAJA. CONDEY

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SAID ARTICLE HAD BEEN MATTER OF SOME CONCERN, AS POSSIBLE FOOT IN DOOR PRECEDENT TO GOM NATIONALIZATION, BUT THAT CAREFUL STUDY OF ORIGIN OF ARTICLE HAD CONVINCED COMPANY THAT IT WAS MORE LIKELY TO HAVE BEEN ONE- SHOT ITEM, AND THAT IT WOULD BE COUNTER-PRODUCTIVE TO ATTEMPT TO CLARIFY ISSUE IN PRESS. ARTICLE GREW OUT OF REGIONAL DEVELOPMENT STUDY TOUR OF MEXICAN DEPUTY CAL Y MAYOR ACCOMPANIED BY JOURNALIST WHO WROTE STORY. CONDEY SEEMED TO TAKE ARTICLE IN STRIDE, AND LOOKS ON IT LESS SERIOUSLY THAN KAISER REP WASHINGTON APPARENTLY DID. EMBASSY POUCHED COPY ARTICLE, WHICH ACTUALLY APPEARED IN APRIL 16 EL HERALDO, TO DEPARTMENT ( ARA/ MEX) ON APRIL 24.

3. LATER IN CONVERSATION WITH EMB OFFS, CONDEY DID NOTE THAT SECRETARY OF PRESIDENCY CERVANTES DEL RIO HAS BEEN INTERESTED FOR MANY YEARS IN THE MEXICANIZATION OF COMSA, BUT REITERATED HIS VIEW THAT EL HERALD ARTICLE WAS PROBABLY UNCONNECTED WITH THIS LONG- STANDING INTEREST. CONDEY ADDED THAT COMSA ( WHICH NOW 95 PERCENT KAISER- OWNED) WOULD LIKE TO HAVE A COMPATIBLE MEXICAN MAJORITY PARTNER, BUT THAT NO MEXICAN INVESTOR WOULD BE INTERESTED IN PARTICIPATING UNTIL KEY MATTER OF MARITIME ACCESS, NOW UNDER DISPUTE WITH SECRETARIA DE LA MARINA, COULD BE CLEARED UP. HE EXPLAINED THAT MARINA WANTED TO TAKE OVER COMSA PORT FACILITIES, WHICH WAS ACCEPTABLE TO COMSA PROVIDING THAT A GUARANTEED RATE STRUCTURE FOR USE OF THE FACILITIES, EXTENDING OVER MANY YEARS IN THE FUTURE, COULD BE NEGOTIATED. WITH THIS GUARANTEE OF THE USE OF PORT FACILITIES, MEXICAN INVESTORS COULD PROBABLY BE FOUND FAIRLY READILY, CONDEY BELIEVES.

4. COMMENT: EMBASSY INCLINED TO AGREE WITH COMSA ASSESSMENT THAT NEWSPAPER ARTICLES PROBABLY NOT PART OF GOM CAMPAIGN TO NATIONALIZE OPERATIONS, DESPITE WELL- KNOWN DESIRE OF CERVANTES DEL RIO TO HAVE MAJORITY MEXICAN OWNERSHIP OF COMSA.  
DEAN

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

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